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Question1: Historical trends in U.S. agriculture have shown dwindling numbers of proprietary family farms and more large-scale contract operations. At the same time, a few agribusiness corporations have come to dominate the nation's farm and food system. Ongoing corporate mergers and buyouts have led to the concentration of market power by major agribusiness firms in meats, poultry, grain, feedstuffs, and food processing. The consequences have been a loss of transparency in the market and the manipulation of prices that erodes the basic principles of supply and demand in the agricultural sector. Farms and ranches are no longer independent proprietary operations, but increasingly become integrated into food supply chains with no say or control. This has made it difficult for small and medium sized farmers to stay in farming, not to mention a younger generation trying to get started. Future policy needs to address this unintended consequence by supporting a fair competition title in the next farm bill.

Some specific proposals for new and beginning farmers: USDA should support policies and programs that encourage growth of small and medium-sized farms. For example, Sustainable Agriculture Research and Education (SARE) and Value-Added Program Grants (VAPG) should be expanded and directed in part at the promotion of younger generations in agriculture. USDA should also implement the many beginning farmer and rancher provisions of the 2002 Farm Bill, including increased promotion of the Beginning Farmer land contract pilot program, using the authorization for special conservation incentives for beginning farmers and ranchers, and seeking funding for the Beginning Farmer and Rancher Development Program.

Question2: In order to comply with World Trade Organization agreements and regulations, the U.S. Government clearly must reduce agriculture subsidies that distort prices and trade. However, such subsidies are masking a deeper problem: government-sanctioned production of low-cost commodities for large processors and agribusiness exporters. Limits must be set on government subsidies, but not at the expense of driving farmers and ranchers off the land. By reducing farm commodity payments to reasonable levels, the money saved should be transferred into conservation "green" payments. The ideal form of support payments should go into the Conservation Security Program, an innovative program that supports small and medium-sized farmers' ability to compete in the market and also ensures the long-term viability of the nation's farmland.

Government subsidies should be targeted to small and mid-sized farms, by capping payment levels at \$250,000 or less and eliminating loopholes. Increased farm payments translate into higher cash rents and land purchase prices, leaving beginning farmers out of the picture. USDA should help enact the Grassley-Dorgan payment limitations bill.

Question3: As a major first step, Congress should enact the Grassley-Dorgan payment limitations bill (S. 385, Rural America Preservation Act) or a similar bill. We need effective but limited payments that are directed to family farmers. Commodity payment limitations will reduce incentives for farm consolidation, land price inflation, and overproduction. A major policy shift to conservation support programs will allow a diverse mix of farms and ranches to cover and steward the countryside. Following the principle of limited payments for farm programs, we need to restore effective payment limitations to the Environmental Quality Incentives Program (EQIP) and to provide safeguards against using EQIP to expand concentrated livestock production.

Question4: The Conservation Security Program, which rewards farmers for effective conservation and advanced stewardship, should become the quintessential program of the USDA. The CSP can serve as the foundation on which to build future farm policy; this program marks a shift from policies that favor commodity production to a renewed emphasis on environmental stewardship of working lands. This program also serves the urgent need to move away from trade-distorting production subsidies. The Conservation Security Program needs to be fully funded and rapidly implemented so that any farmer and rancher in the country can enroll.

For land that is particularly environmentally sensitive and should be removed from agricultural production, emphasis should be placed on cost-effective and long-term easement strategies that maximize environmental protection. This could occur through existing programs like Conservation Reserve or Wetlands Reserve, or through new programs as devised in the spirit of caring for creation.

Also, USDA needs to restore effective implementation and enforcement of conservation compliance features of the Farm Bill. Weak enforcement now threatens the gains that had been made on reducing soil erosion.

Question5: The majority of new jobs emerging in rural areas are non-farm related. Financial support for rural entrepreneurial and small business development is an important strategy to support rural areas. Examples of such support include (1) rural micro-enterprise grants programs that provide loans and technical assistance, and (2) individual development accounts as proposed in the New Homestead Opportunities Act.

The 2007 Farm Bill should also support policies that invest in entrepreneurial activities on farms. The Value-Added Producer Grants program should be fully funded and restored. A reduction in current commodity payments will free up a considerable amount of money to increase USDA investment in rural development and conservation programs.

Question6: The challenge here is the creation of new markets and direct marketing vehicles for agricultural products, which will mean the development of rural business infrastructure. To this end, the next Farm Bill needs to provide (1) Rural Business Enterprise Grants, (2) Value-Added Producer Grants, and (3) the National Research Initiative for Future Agriculture and Food Systems. More than just listed in the Farm Bill, these programs need to be funded at generous levels and with explicit goals to firmly address the unique needs of small and medium-sized farmers, as well as beginning farmers and ranchers. These programs should also address the goals of environmental enhancement and rural community development.

USDA needs to demonstrate a real commitment to organic research and

outreach. USDA should also include major funding for the new Farmers Market Promotion Program and Farm-to-Cafeteria program in its budget requests and endorse them as major farm bill initiatives. Finally, renewable farm-based energy is certain to become an essential part of future farm bills. This can create great opportunities for farmers and ranchers, as long as these are developed for the benefit of all farmers and ranchers, their communities and the integrity of creation.